

Alabama Medicaid Regional Care Organizations (RCOs) Quality Assurance (QA)

ACT 2013-261

May 2013

Alabama Medicaid and RCOs

- Act 2013-261 passed by Alabama State Legislature and signed by Governor Bentley May 17, 2013
- “To provide for the delivery of medical services to Medicaid beneficiaries on a managed care basis through regional care organizations or alternate care providers”*

* Act 2013-261 page 1, lines 5-8

Alabama Medicaid and RCOs

- Definitions*

- **Regional Care Organization (RCO)**—an organization of health care providers that contracts with the Medicaid Agency to provide a comprehensive package of Medicaid benefits to Medicaid beneficiaries in a defined region of the state and that meets the requirements set forth in this act.
- **Alternate Care Provider**—a contractor, other than a regional care organization, that agrees to provide a comprehensive package of Medicaid benefits to Medicaid beneficiaries in a defined region of the state pursuant to a risk contract.

* Act 2013-261 page 1, lines 12-16; page 2, lines 21-25

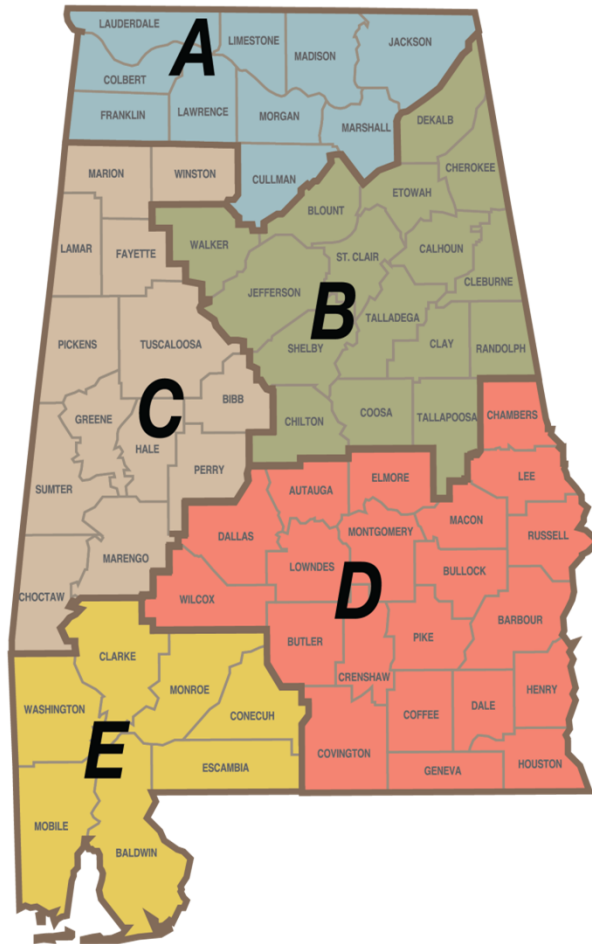
Alabama Medicaid and RCOs

- **Planning Principles** include in Regulation
 - Multiple RCOs will be allowed in each region
 - Member's residence determines RCO regional assignment for capitation
 - Any willing provider applies not only within region, but also across regional lines. For example, physicians and hospitals will be able to contract within their region as well as with adjacent regions.
 - Medicaid will establish a floor for applicable provider payments for all regions, including out-of-region contracts.

Regional Care Organization Districts

Regional Care Organization Districts

Effective October 1, 2013



Regions drawn with these considerations:

- Honor existing referral patterns
- Keep health systems together when possible
- Allow more than one RCO per region

Alabama Medicaid and RCOs

- **Timeline**

- 10/1/13 RCO regions established (see map)
- 10/1/14 RCO governing boards approved by Medicaid
- 4/1/15 RCO provider networks in place
- 10/1/15 RCO must meet solvency requirements
- 10/1/16 RCO accepts capitation payments from Alabama Medicaid

RCO Governing Board of Directors

- 12 members shall represent risk-bearing participants in RCO*
 - Bear risk by contributing cash, capital, or other assets to RCO
 - Also bear risk by contracting with RCO to treat Medicaid beneficiaries at capitated rate per beneficiary or treat beneficiaries even if not reimbursed by RCO

* Act 2013-261 page 3, lines 15-23

RCO Governing Board (cont)

- 8 members shall be persons who do not represent a risk-bearing participant in RCO*
 - 5 members shall be medical professionals who provide care to Medicaid beneficiaries in region
 - 3 shall be Primary Care Physicians
 - 1 from FQHC appointed jointly by Ala Primary Health Care Assn and Ala Chapter of National Medical Assn
 - 2 appointed by caucus of county boards of health in region
 - 1 Optometrist appointed by Alabama Optometric Association
 - 1 Pharmacist appointed by Alabama Pharmacy Association

* Act 2013-261 page 3, lines 24-25; page 4, lines 1-19

RCO Governing Board (cont-2)

–3 members shall be community representatives*

- Chair of Citizens' Advisory Committee
- Member of Citizens' Advisory Committee representing Disabilities Leadership Coalition of Alabama or Alabama Arise
- Business Executive nominated by a chamber of commerce in region

* Act 2013-261 page 4, lines 20-25; page 5, lines 1-5

Health Care 3-legged stool

- Quality
- Access
- Cost

RCOs and Quality Assurance (QA)

- Alabama Medicaid **shall**
 - Establish quality standards and minimum service delivery network requirements for RCOs/alternate care providers to provide care to Medicaid beneficiaries*

* Act 2013-261 page 12, lines 21-24

RCOs and QA

- Establish by rule and implement quality assurance provisions for each regional care organization.
- Adopt and implement requirements for RCO concerning
 - health information technology,
 - data analytics,
 - quality of care,
 - and care—quality improvement*

* Act 2013-261 page 13, lines 1-6

RCOs and QA

- Medicaid shall create a quality assurance committee appointed by the Medicaid Commissioner.
 - The members of QA Committee shall serve two- year terms.
 - At least 60% of members shall be physicians who provide care to Medicaid beneficiaries served by RCO.
 - Commissioner shall seek input from professional organizations.*

* Act 2013-261 page 13, lines 20-25

RCOs and QA

- RCO QA Committee shall
 - Identify objective outcome and quality measures for ambulatory care, inpatient care, chemical dependency and mental health treatment, oral health care, all other health services provided
 - Shall adopt outcome and quality measures annually and adjust measures to reflect RCO global budget, changes in membership, RCO costs for implementing outcome/quality measures, community health assessment and cost.*

* Act 2013-261 page 14, lines 3-23

RCOs and QA

- Medicaid shall
 - Continuously evaluate outcome/quality measures adopted by QA Committee
 - Utilize available data systems for reporting outcome/quality measures adopted by QA Committee and take actions to eliminate redundant reporting or reporting of limited value
 - Publish the information collected at aggregate levels to include quality measures, costs, outcomes, other information needed to evaluate value of health services delivered by RCOs*

* Act 2013-261 page 15, lines 1-20

RCOs and QA

- Medicaid shall
 - Obtain an independent evaluation of the
 - cost savings,
 - patient outcomes, and
 - quality of care provided by each RCO
 - Obtain results of each RCO's evaluation in time for decision on entering future multi-year contracts or change Medicaid region's care delivery system*

* Act 2013-261 page 16, lines 1-5

RCOs and QA

- Medicaid shall establish by rule the procedure for the termination of RCO certification or probationary RCO certification for
 - non-performance of contractual duty or
 - for failure to meet or maintain benchmarks, standards, or requirements provided by this act or established by Medicaid as required by this act.*

* Act 2013-261 page 18, lines 6-12

RCOs, QA, 1115 Concept Paper

- Comprehensive Reform Initiatives
 - Delivery model reforms to be based on statewide care management capacity accountable for health outcomes across continuum of care
 - State continue/expand enhanced primary care case management program while RCOs under development
 - Medicaid and Ala Dept of Mental Health (ADMH) will ensure each RCO establishes/maintains adequate network of behavioral health providers to address needs related to mental illness and substance use

RCO/QA, 1115 Concept Paper

- Delivery Model Reforms (continued)
 - Medicaid and ADMH will work together to develop standards for RCOs that incorporate:
 - Protocols for clinical care, quality assurance, and utilization review specific to Mental Illness and Substance Abuse
 - Incentives for provision of evidence-based, recovery and resilience oriented behavioral healthcare services
 - Payment mechanisms/services that support/incentivize transition of individuals from institutional-based care to community-based behavioral healthcare settings

RCO/QA, 1115 Concept Paper

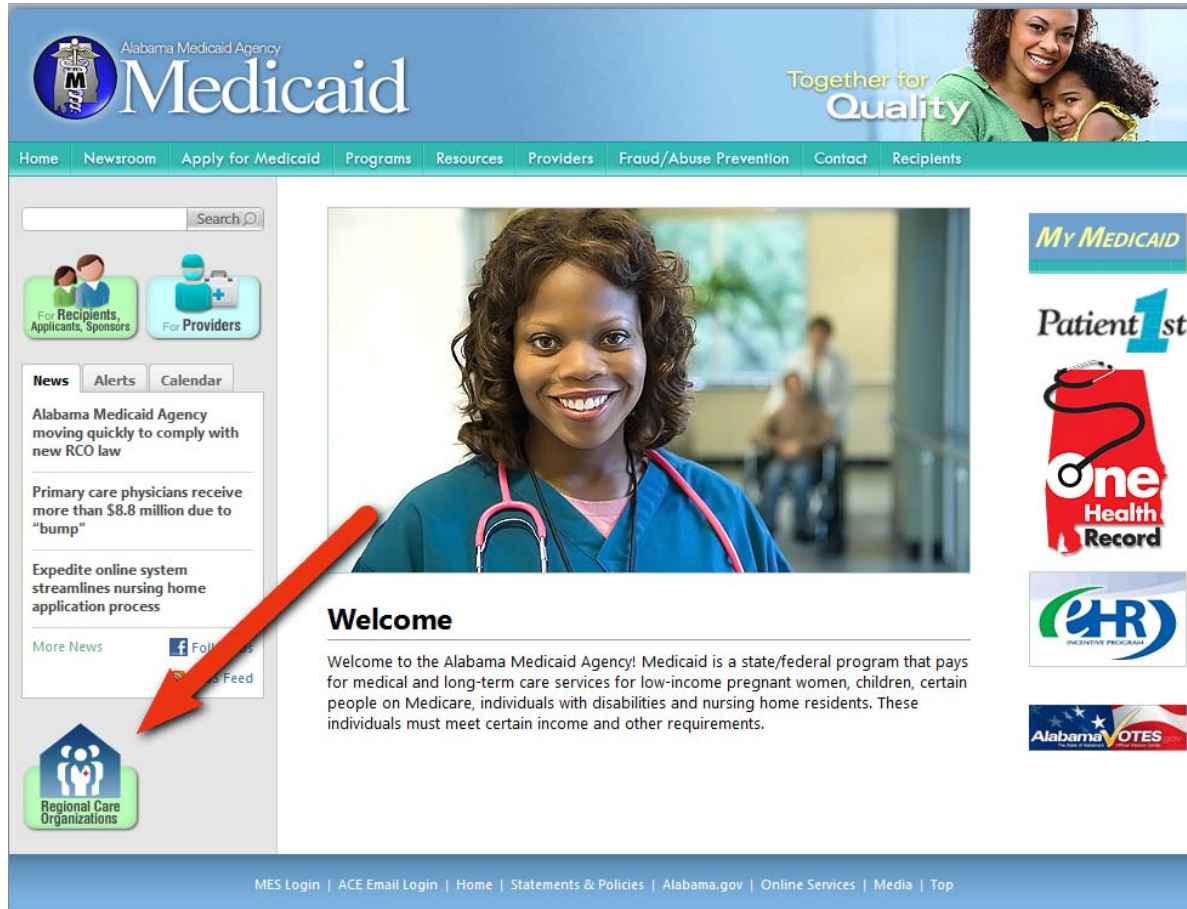
- Provider Reimbursement Reforms
 - Implement value-based purchasing strategies
 - Quality of Care Pool
 - RCOs eligible for incentive payments for achieving quality outcomes in first 2 years of program
 - Medicaid will define priority quality initiatives , benchmarks, and metrics RCOs would be required to report on to determine eligibility for incentive payments
 - Initial quality targets set around: patient satisfaction, reduction in unnecessary readmissions, equitable health outcomes, and access to care

RCO/QA, 1115 Concept Paper

- Quality of Care Pool (continued)
 - Initial quality targets set around: patient satisfaction, reduction in unnecessary readmissions, equitable health outcomes, and access to care
 - State will consider aligning with existing measures such as the Healthcare Effectiveness Data and Information Set (HEDIS)

QUESTIONS?

www.medicaid.alabama.gov



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Organizations (RCO)